

Police Station Bond FAQs



At the November 8, 2011 election, voters approved a ballot measure which authorized the issuance of general obligation bonds for the acquisition, construction and furnishing of a new police station.

Bond Sale Update:

The Official Statement is now available. The bond sale was a competitive bond offering receiving 9 bids on January 12th. The lowest bid was awarded with an overall True Interest Cost of 2.25%.

The Bonds are general obligations of the City. The full faith and credit and taxing powers of the City are pledged to the successive owners of each of the Bonds (the "Bondowners") for the punctual payment of such obligations, when due. The City covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the City without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution.

FAQ:

Will any portion of the \$8.5M be paying off the Parker Road property?

- No costs relating to Parker Road are being charged against the \$8.5M bond measure.

How much does the issuance of \$8.5 million in bonds cost West Linn residents?

- West Linn property tax levy rate will increase by approximately 16 cents per thousand *[update: 14 cents]* of assessed value for a twenty year period while the bonds are outstanding. For the average homeowner in West Linn with an assessed (not real market) value of \$285,000, the estimated annual property tax increase would be \$46 *[update: \$40]*.

How does the City sell bonds?

- The City sells the bond on the open and competitive bond markets.

Bond Council issues a legal opinion and a Financial Advisor helps West Linn Finance prepare the Official Statement for the bond sale.

West Linn Finance responds to inquiries from Credit Rating agencies who will rate the bond sale.

Bond interest rates are at a historic low, making it an attractive time to sell municipal tax-exempt bonds.

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Who will buy the bonds?

- Large brokerage firms typically buy all of the bonds for inventory in their investment portfolios which they in turn offer to sell to their customers. If you are interested in buying West Linn bonds, you would need to contact a broker directly.

When would West Linn citizens start paying?

- With the low interest rate market, the bonds were sold in January 2012. Accordingly, commencing with the November 2012 property tax bills, the bonded debt tax rate will increase by an estimated 16 cents per thousand of assessed value for a twenty year period. This is necessary to cover the amortized debt service payments for the bond issue.

Will the City and School District also pay for these bonds?

- Only entities that pay property taxes pay for these bonds. The City and School District have a public purpose, so they do not pay for general obligation bonds.

What is the City's current credit rating?

- In September 2010, the City's credit rating was upgraded to a solid "double A" level at AA/Aa2 from Standard & Poor's and Moody's respectively. With this bond sale, both agencies reaffirmed these same ratings.

How much debt does the City already have?

- The City currently has \$15 million of outstanding bond issues most of which are at their 10-year mark in their 20-year life.

Have the City's current bonds been refinanced to take advantage of the low interest rates?

- Yes, the September 2010 refunding completed the refinancing of the City's 4 main bond issues outstanding. Overall interest rates received at this time averaged 2.09%.

To read more about the approved ballot measure which authorized the issuance of GO bonds, click on the links below.

For further information regarding the bond sale, please contact the City's Chief Financial Officer Richard Seals at 503-722-5505 or at rseals@westlinnoregon.gov.

Supporting Documents



[Download the Official Statement here](#)

Web Links

[Police Station Ballot Measure Explanatory Statement](#)[City of West Linn police station bond measure approved by voters](#)[General Obligation Bonds, Series 2012](#)[City Credit Ratings](#)

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